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Required Report - public distribution

Date: 7/15/2010

GAIN Report Number: PN10002

Panama

Biotechnology - GE Plants and Animals

2010 Biotechnology Report

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Report Highlights:

Panama does not have regulations and clear procedures regarding the process and coordination among all the competent government agencies, in charge of authorizing the import of GMO's into Panama. At present, there is no production of biotech products in Panama. Panama ratified the Cartagena Protocol, and in addition, approved an additional law to oversee biotech products. These laws have not been fully implemented. Therefore, there is a new Draft Law for the National Regulation on Biosafety for Genetically Modified Organisms. There is no indication of consumer concern about the presence of biotech products in the food supply. Specific marketing activities and capacity building seem to be good alternatives to advance acceptance of biotech products by consumers and government officials.

Section I. Executive Summary:

Table of Contents:

	Page
Section I. Executive Summary.....	2
Section II. Plant Biotechnology Trade and Production.....	3
Section III. Plant Biotechnology Policy.....	3
Section IV. Plant Biotechnology Marketing Issues.....	6
Section V. Plant Biotechnology Capacity Building and Outreach.....	7
Section VI. Animal Biotechnology.....	8

Section I. Executive Summary:

Panama is a net food importer and the U.S. by far, is its main supplier. During Calendar Year 2009, exports of U.S. agricultural, fish & forestry products to Panama exceeded \$378.2 million of dollars. The increase of 27% over the last year can be attributed to the entry into force of the U.S. – Panama Agreement regarding certain Sanitary and Phytosanitary Measures and Technical Standards affecting trade in agricultural products, signed in February 22, 2007.

The most important U.S. products exported to Panama for year 2009 were ^[i]:

Consumer Oriented foods.....	\$157.5 million
Grains in Bulk.....	\$119.6 million
Oilcake, resulting from the extraction of soybean oil.....	\$84.9 million
Forest products.....	\$13.1 million
Fish products.....	\$3.1 million

^[i] Data Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

The future looks bright for exports of U.S. food products to Panama due to the forecasted extraordinary growth of the Panamanian economy. This forecast is based on the service sector and the Expansion project of the Panama Canal, which promotes higher demand for food products that local agriculture cannot supply. U.S. food products are already well positioned and have consumer preference. In addition, the Trade Promotion Agreement signed between the two countries was ratified by Panama with a high degree of approval at both the government and citizen levels. The treaty is awaiting consideration by the U.S. Congress. If approved, U.S. food products will have increased access to the Panamanian market at zero duties once tariff phase outs run their course.

Panama does not produce biotech products, nor has it conducted any Official laboratory or field testing of agricultural biotechnology events.

By category, Consumers prefer the “Ready to eat products”, such as snack foods, processed fruits and vegetables, and turkey ham, as the most popular. Bulk agricultural products are also important, among them: yellow corn and soybean meal for animal feeds, and wheat. Panama imports rice whenever

local harvest does not meet demand. In the past years the United States used to represent 99 percent of the imported rice market. But with the Panamanian Government's "Compita Programme" Panama has been importing rice from Brazil and Guyana.

Panama is a Party to the Cartagena Protocol on Biosafety, as adopted by the Law 72 of 2001. However to date, Panama has not established its National Regulatory Framework on Biosafety for Genetically Modified Organisms (GMO's). There is only a Draft of Law to regulate this topic.

Section II. Plant Biotechnology Trade and Production:

According with the Government of Panama records, there's no trade of GMO's. So far, Panama has not analyzed, nor established the official requirements, for imported genetically modified food products. There's no local production of GMO crops. Officially, no biotech products are developed or consumed in Panama.

Section III. Plant Biotechnology Policy:

The National Authority for the Environment (ANAM) is the Focal Point of the Cartagena Protocol on Biosafety in Panama. They have created an Inter-institutional Ad-Hoc Committee on Biosafety for the Genetically Modified Organisms, composed of:

a) Competent National Authorities:

- Ministry of Agricultural Development
- Ministry of Health
- Ministry of Commerce and Industry
- Ministry of Foreign Relations
- National Authority for the Environment
- Panamanian Food Safety Authority
- Authority of the Aquatic Resources of Panama
- Authority of Free Competition and Consumer Rights

b) Institutions for Technical Support:

- National Secretariat for Science, Technology and Innovation.
- Institute of Scientific Research and High Technology Services (INDICASAT AIP.)
- Agricultural Research Institute of Panama
- Technological University of Panama
- University of Panama
- Gorgas Memorial Institute for Health Studies.

The Objectives of the Ad-Hoc Committee are:

1. Promote and monitor the implementation of the Law that will amend the Law 48 of 2002, which creates the National Commission for Biosafety of genetically modified organisms.
2. Develop, Promote and monitor the compliance of the regulations and manuals of procedures for the genetically modified organisms.
3. Strengthen and monitor the Biosafety Clearing House (BCH) of Panama.
4. Propose the establishment of capacity building in the institutions for Biosafety of Genetically

Modified Organisms.

At the international level, Panama supports a policy of not requiring labeling for biotech products, a principle also applied in Panama for all food products, as established in article 36 of Law 45 of October 31, 2007.

In Panama there are no active organizations and/or public campaigns (press campaigns, public relations efforts, or other) that lobby either for or against the genetic engineering or cloning of agriculturally-relevant animals.

Local media report on cloning of pets, which might be the reason consumers still ignore that food products can be produced by this method.

As it happens with GMO's, lack of scientific information could lead to rejection of this technology from the consumers and the public sector.

Panama doesn't have an active participation in discussions related to animal new technologies in international organizations such as OIE or OECD.

However, during the last six years Panama has been an active participant in the multilateral negotiations of the Cartagena Protocol on Biosafety, under the Convention of Biological Diversity. Especially in the negotiations on article 27 of the Cartagena Protocol on Biosafety about *Liability and Redress*, in case of a damage caused by a Living Modified Organism (LMO).

Panama has participated in the First Dialogue in Summer 2009 on the *Compact* (a contractual compensation mechanism) developed by some of the biotechnology providers. The *Compact* seeks to provide countries with defined rules for filing a claim for damage caused by a LMO. These claims would be evaluated on a case by case basis, and the Claimant State has to present science-based proof, to proceed with the claim in the International Court of Arbitration.

Also, Panama has not negotiated to date, any type of Bilateral Agreement or Memorandum of Understanding with any other country regarding GMO's or LMO's.

The legal framework for GMO's is based on the following Laws:

- 1) [Law 72 of December 26, 2001](#), by which Panama approved the Cartagena Protocol *on Biosafety entered into force on January 29, 2000*.
- 2) [Law 48 of August 8, 2002](#) that creates the National Commission of Biosafety for Genetically Modified Organisms, and dictates other dispositions.
- 3) [Law 47 of 1996](#), establishing that for the import, export, research, experiment, release to the environment, reproduction and commercialization of transgenic plants, bio-control agents and seeds for production, the National Direction of Plant Health has to approve it.
- 4) [Law 23 of 1997](#), which regulates the Animal Health and Agricultural Quarantine.
- 5) [Law Decree 11 of February 22, 2006](#), which creates the Panamanian Food Safety Authority (AUPSA) and the dispositions for the import, transit and transboundary movement of food and feed into Panama.

The Law 72 of 2001, being an international agreement, is in force but has not been fully implemented and is non-functional since no foreign country has officially notified Panama of exports of GMO's.

The Law 48 of 2002, was never implemented. Its requirement to organize a National Commission of Biosafety for Genetically Modified Organisms, formed by eleven members with a "high political position" representing different government agencies and private organizations has never been complied with. In addition, it also calls for the organization of a Technical Secretariat, and a number of diverse Committees in different government entities related to the handling of GMO's, including Agriculture, Commerce, Environment, Health and Foreign Relations.

This Law 48 of 2002 established a National Biosafety Commission for Genetically Modified Organisms. This commission is to be composed of:

- Minister of Agricultural Development
- Minister of Health
- Minister of Commerce and Industries
- Minister of Foreign Relations
- National Secretariat for Science and Technology
- Administrator of National Authority for the Environment
- Five representatives from: civil society, commercial sector, health, agriculture, environment, and the universities.

Once operational, the commission presidency is to be rotated among the above-mentioned Ministers. The commission will be charged with regulation and oversight of all aspects of production, introduction, consumption, etc. of all biotech products, and is to make a priority of the Cartagena Protocol and the precautionary principle. Implementation of Law 48 of 2002 does not appear likely in the near term. Therefore, five years ago the National Authority for the Environment (ANAM) asked the United Nations Environmental Programme (UNEP) to have non reimbursable funds from the Global Environment Facility (GEF), to elaborate a Draft Law that will help the implementation of the Cartagena Protocol on Biosafety in Panama, in that Draft Law, will be considered the amendment of the Law 48 of 2002.

In the Draft Law for the amendment of the Law 48 of 2002, the title is as follows: "To create the National Biosafety Technical Commission for genetically modified organisms and other provisions". The Technical Commission is intended to recommend to the competent authorities on decision-making and adoption of Biosafety measures for genetically modified organisms, its products and products thereof, as well as the establishment of Expert groups to conduct risk analysis and risk assessments, case by case and step by step, with science-based evidence.

In this Draft Law the responsible government Ministries and Authorities, and their role are:

- The **Ministry of Agricultural Development (MIDA)** is the competent national authority to regulate, control, approve and monitor the use, import, export, research, experiment, release to the environment, reproduction and commercialization and management of genetically modified organisms, such as live animals, semen and embryos, transgenic plants, bio-control agents and

seeds for agricultural production.

- The **Ministry of Health (MINS)** is the competent national authority to regulate, control, approve and monitor the use and management of genetically modified organisms and biotechnology developments, conducted on national territory, affecting human health and the establishment of biosafety standards required for human protection.
- The **Ministry of Commerce and Industry (MICI)** is the competent national authority responsible for ensuring that negotiations and international trade agreements that involve the use of genetically modified organisms and biotechnology transfer, does not affect domestic production and investment, the environment, biodiversity and human health, and ensures the best interests of Panama.
- The **National Authority for the Environment (ANAM)** is the competent national authority for the implementation of the Cartagena Protocol on Biosafety and of the Convention on Biological Diversity, as the Focal Point of Panama, as well as management and environmental management of natural heritage and biodiversity of Panama. Has the power to regulate and control access to and use of biogenetic resources in general, and establishing, approving and monitoring compliance with the rules and procedures of risk assessment for the release into the environment, mitigation impacts on biodiversity and the environment, including the protected areas.
- The **Panamanian Food Safety Authority (AUPSA)** is the competent national authority that regulates and enforces the compliance of the sanitary and phytosanitary measures and quality standards related to the import, transit and transboundary movement of food and feed into Panama.
- The **National Secretariat of Science, Technology and Innovation (SENACYT)**, is the competent national authority for the promotion of research for the development and transfer of biotechnology in general, and for the regulation of LMO's for use in scientific research.
- The **Authority of Aquatic Resources of Panama (ARAP)** is the entity with responsibility for the authorization, control, supervision, monitoring, and release to the aquatic environment of marine and aquatic organisms genetically modified, that are located outside the protected areas.
- The **Authority for Consumer Protection and Defense of the Competition (ADECO)** is the entity responsible for protecting and ensuring the process of free economic competition and free competition, eliminating monopolistic practices and other restrictions in the efficient functioning of markets for goods and services, and to preserve the best interests of consumers in Panama.

The Panamanian Government has a very pro-business focus. One would expect this pro-business approach to positively influence agricultural biotechnology regulations.

Section IV. Plant Biotechnology Marketing Issues:

From time to time, local newspapers publish articles (that appear to come from foreign sources) advising of the alleged dangers to humans posed by foods prepared with GMO's, and also of the supposedly catastrophic impact on the environment if GMO's are produced in the country. With less frequent articles that talk about the benefits of GMO's and their products. So far, consumers have shown a high degree of confidence in the ability of local authorities to handle in an appropriate manner this category of food products.

There have been no market studies in Panama to assess consumer acceptance of GMO's.

Research at local Universities focuses on tissue culture of some species of economic importance, for their reproduction in disease free environments. Resources have not been devoted to manipulating genes or sections of the DNA molecule as a means to produce new GMO's.

Section V. Plant Biotechnology Capacity Building and Outreach:

Most agriculture professionals graduate from local universities that lack advanced training in modern developments in biotechnology. This may hurt perceptions of GMO's by many, including those who tend to distrust big industries and new methods of mass production of food products. There are two private Consumers' Associations that are expressing concern about lack of protection that authorities are giving to consumers of medicines and of some imported food products, mainly from Asia. They could reject or embrace GMO's, depending on the information they receive in the future.

Education and Outreach present themselves as the best alternatives to promote accurate information about GMO's in a market that clearly understands the benefits of trade and friendly relations with the U.S. Through USDA's Cochran Fellowship Program, in 2000 a University Professor received training in Biotechnology at Texas A & M University. Recently, a Ministry of Agriculture official – specializing in environmental issues - was selected as a candidate for training in Biotechnology. FAS/Panama also brought a Biotechnology speaker to Panama in August, 2007 to give a series of presentations to both government officials and food importers.

On July 22 – 24, 2009 the Cultural Section of the U.S. Embassy in Panama and FAS/Panama brought a Biotechnology speaker to Panama, who made a series of presentations to both government officials and food and seed importers.

On August 17 – 19, 2010 the U.S. Embassy in Panama and FAS/Panama will bring a Biotechnology speaker to Panama, with the objective to raise awareness among government officials of Panama, to develop science based regulations and procedures, in order to facilitate the production, import and scientific research with GMO's in Panama.

Many local technicians and government officials working in this field, including policy, teaching, and laboratory research, would greatly benefit from short term trainings in the U.S., but the language barrier has prevented this exchange. If biotechnology courses in Spanish could be provided, it would be of great benefit to improve local knowledge and create regulations based on science and risk analysis.

For example, in the area of human health there are only certified clinical diagnostic tests, for public health diseases. There is no certified diagnostic test on transgenic organisms.

Panama does not have the physical infrastructure for research or experimental trials of GMO's in greenhouses, or confined plots, under biosafety measures.

Panama, through the UNEP – GEF Project, for representatives of the competent national authorities and academic institutions, has focused on training on the Cartagena Protocol on Biosafety and how to

register and search data in the Biosafety Clearing House (<http://bch.cbd.int/>).

Also in Panama are other agro-biotechnologies applied, such as plant tissue culture, molecular biology, in vitro conservation, cryopreservation, and genetic engineering. In the health sector, there is a capacity to diagnose diseases ^[iii].

^[iii] Inter-American Institute for Cooperation on Agriculture (IICA). Agro-biotechnology in Latin America and the Caribbean. Current situation of its development and adoption. 2008. 62 pages.

Section VI. Animal Biotechnology:

In Panama genetic engineering is not being used for the development of agriculturally-relevant animals, and therefore, there has not been any public initiative in this field.

The production of food products from genetic engineered animals is not well understood by local consumers, and regulations about biotechnology do not mention this possibility. This reflects in the fact that lawmakers do not think this is a priority in the issuing of new regulations and therefore, there have not been any discussions of related regulatory or research policies for genetic engineering of animals.

Panama does not have in place any legislation related to the development, commercial use and/or import of genetically modified animals or products. And the discussions of related regulatory or research policies on these technologies, have not reached consensus between the competent national authorities.